



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY
LANSING



LIESL EICHLER CLARK
DIRECTOR

June 23, 2021

Ms. Anne Jamieson, Executive Director
Grand Traverse County Brownfield Redevelopment Authority
400 Boardman Avenue
Traverse City, Michigan 49684

Dear Ms. Jamieson and the Grand Traverse County Brownfield Redevelopment Authority:

SUBJECT: Act 381 Work Plan Amendment No. 1 Review for the West End Riverfront Project,
305 and 309 West Front Street, Traverse City, Grand Traverse County
Facility: 28000340 / Tracking: 2020-2431

The Michigan Department of Environment, Great Lakes, and Energy (EGLE), Remediation and Redevelopment Division, has reviewed the Act 381 Work Plan Amendment No. 1 for the West End Riverfront Project, submitted on May 5, 2021, for approval pursuant to the Brownfield Redevelopment Financing Act, 1996 Public Act 381, as amended (Act 381). The original Act 381 work plan was approved on March 25, 2020. A letter clarifying the state education tax collection requirements for this project was sent on May 14, 2020. The Act 381 work plan amendment requests EGLE approval of revised activities and budgets for due care compliance.

Based on the requirements in Section 15(2) of Act 381, and representations and information in your submittal, EGLE **approves** the work plan amendment. **This approval letter and the attached Table 1 replace the March 25, 2020 approval.** The approved activities are listed below and in Table 1:

Due Care Compliance Activities:

- Transportation and disposal of contaminated urban or historic fill/debris (Phase I)
- Transportation and disposal of contaminated urban or historic fill/debris (Phase 2)
- Excavation, transportation, and disposal of mercury, naphthalene, and acrolein impacted soils, and backfill (Phase 2)
- Treatment and disposal of contaminated groundwater (Phase 2)
- Project management, construction management, health and safety plans, oversight, sampling, and reporting associated with the above activities

If unanticipated response activities not listed above are encountered during the course of the project, and/or if the total approved costs will be exceeded, prior written EGLE approval is required for the use of school tax capture per section 13b(9) of Act 381 as amended.

The work plan also includes pre-development activities. Pre-development activities identified in Section 13b(8) of Act 381 can be performed prior to approval of the brownfield plan and are exempt from EGLE approval. The pre-development activities in this work plan include:

- Site investigation required to conduct a Baseline Environmental Assessment (BEA) and to evaluate compliance with Sections 20107a and 21304c of the Natural Resources and Environmental Protection Act, 1994 PA 451 (NREPA).
- Completing a BEA.
- Preparing a plan for compliance with Sections 20107a and 21304c of the NREPA.

Section 13b(7)(b)(i) and (ii) allow for capture of taxes levied for school operating purposes to be used for the reasonable costs of developing and preparing brownfield plans, combined brownfield plans, or work plans for which tax increment revenues may be used under Section 13(4), including but not limited to, legal and consulting fees that are not in the ordinary course of acquiring and developing real estate, not to exceed \$30,000 and the reasonable costs of brownfield plan or work plan implementation, including but not limited to, tracking and reporting of data and plan compliance, not to exceed \$30,000.

All other EGLE-eligible activities (due care, response activities, interest, and environmental insurance) may be reimbursed with taxes levied for school operating purposes only if undertaken *after* EGLE approval of the work plan. If eligible activities in addition to those approved in this work plan are necessary, and/or if the total approved costs will be exceeded, prior written EGLE approval is required.

The amount of tax capture is limited to *actual* expenditures with the exception of excess capture allowed for deposit into the local brownfield revolving fund in accordance with Section 8 of Act 381. The Grand Traverse County Brownfield Redevelopment Authority must track and report the actual school tax increment revenues captured from the eligible property as required by Section 16(3) of Act 381, including both exempt and department-approved activities. In addition, it should be noted that excess tax capture for school operating purposes shall not exceed the total of the cost of eligible department specific activities approved in the work plan. The total excess tax capture shall not exceed the total of the cost of eligible activities in the brownfield plan.

Approval of this work plan is only for the purpose of eligibility for tax capture and reimbursement under Act 381. This letter does not represent an EGLE determination of exemption to liability or compliance with due care under Part 201 or 213 of NREPA.

Actions taken pursuant to this work plan must comply with the requirements of all applicable or relevant and appropriate state and federal laws, rules, and regulations, including, but not limited to, Part 201, the Part 201 Rules, and Part 213 of NREPA, Michigan Air Pollution Control Rules, and laws relating to occupational safety and health. This approval does not preclude a person's obligation to obtain and comply with any permit or authorization required under state or federal laws.

Project related questions and copies of all environmental reports and findings should be directed to both of the following:

- Dave Maynard at 231-429-1656 or via e-mail at MaynardD@Michigan.gov.
- Sara Mae Andrews at 231-878-5761 or via e-mail at AndrewsS8@Michigan.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Carrie Geyer". The signature is fluid and cursive, with a long horizontal stroke at the end.

Carrie Geyer
Manager
Brownfield Assessment and Redevelopment Section
Remediation and Redevelopment Division
GeyerC1@Michigan.gov

cc: Mr. Rob Garza, Michigan Economic Development Corporation
Mr. Eric Helzer, ARS Consulting
Mr. Steve Kitler, EGLE
Mr. Ryan Londrigan, EGLE
Mr. Dan Gough, EGLE
Mr. Dave Maynard, EGLE
Ms. Sara Mae Andrews, EGLE
Tracking code #2020-2431

Table 1.
Act 381 Predevelopment and EGLE-Approved Activities
for the
West End Riverfront Project Amendment No. 1
Approval Date: June 23, 2021

Proposed Eligible Activity	Approved Cost
EGLE Approved Activities	
Due Care Activities: refer to the letter for a breakdown of activities	\$1,191,110.80
<i>Total EGLE Approved Eligible Activities</i>	\$1,191,110.80
Activities Exempt from EGLE Approval:	
Site Investigation Activities	\$36,050.00
Baseline Environmental Assessments	\$7,500.00
Due Care Planning	\$81,678.75
Brownfield Plan / Work Plan Preparation	\$27,625.00
<i>Total Exempt Activities</i>	\$152,853.75
15% Contingency*	\$178,666.62
Total EGLE & Exempt Activities	\$1,522,631.17
School Tax Capture Amount 89.1891593%	\$1,358,021.94
Local Tax Capture Amount** 10.8108407%	\$164,609.23

* Contingency is allowed up to a maximum of 15% of approved due care activities. Contingency may only be used to cover extra costs of those activities. Contingency shall not be used for activities not identified and approved in this work plan. Interest, insurance, activities exempt from EGLE approval, and any completed activities are not included in the contingency calculation.

** The majority of the local taxes are captured by the Traverse City Downtown Development Authority (DDA). The local contribution was provided by a DDA project investment of over \$3,000,000. EGLE's approval including proportionality between state and local taxes remains consistent with the 2008 approval by the Michigan Economic Development Corporation.

If unanticipated response activities are encountered during the course of the project, prior written EGLE approval is required for the use of school tax capture per section 13b(9) of Act 381 as amended.

Note: This Table 1 replaces the March 25, 2020, approval which is now null and void.